

Board of County Commissioners
INTER-OFFICE MEMORANDUM

DATE: March 3, 1998
TO: Honorable Chairman and Members of the Board
FROM: Parwez Alam, County Administrator
SUBJECT: Solid Waste Negotiations with City

ISSUE:

The County has been attempting to negotiate an agreement with the City on Solid Waste Disposal.

BACKGROUND:

The 1993 Leon County Solid Waste Facility Plan estimated that the current Class I garbage landfill would reach capacity in the year 2003. The 1995 estimate prepared by Post, Buckley, Schuh & Jernigan, Inc. (PBS&J) projected that the landfill will reach capacity in February 2004. However, on March 26, 1996 the Board determined that the County should: 1) seek competitive bids for an out of county disposal facility; 2) should own and operate the transfer station; 3) continue to operate a Class III landfill for general trash and construction debris at the current site. Based on the direction provided by the Board at this meeting, PBS&J was directed to design and permit the final Cell II D with sufficient capacity to receive the County's Class I waste until the actual haul out commenced as well as reserve capacity to be used during emergencies or in the event the disposal contractor is unwilling or unable to accept the County's garbage. The issue was re-addressed during the Board's September 9, 1997 meeting at which time the Board voted for the following position on solid waste disposal:

1. The county will reach Class I garbage capacity in January 2002. The haul-out should commence in October 2000 (previously 1999) in order to maintain an emergency reserve for both the City and County.
2. The County will construct and operate the transfer station. Tipping fees will be the same for all users.
3. The County and City would jointly develop the RFP for hauling and/or disposal.

Memo - Solid Waste Negotiations with City
March 3, 1998
Page Two

4. A committee comprised of an equal number of County and City representatives will be established to evaluate the proposals.
5. The City Commission will be provided the vendor(s) selection for comment.
6. The County Commission will have final approval authority on the vendor(s) selection.
7. The County will contract with the successful vendor(s).

The decision to retain public ownership and operation of the proposed transfer station should not be based solely on the potential for cost savings purported by the private sector. Leon County, acting on behalf of all citizens and businesses both in the City and the unincorporated area, should control the waste stream through the operation of the proposed transfer station for the following reasons:

1. By owning and operating the transfer station, the County will maintain maximum feasibility to seek alternative disposal options or re-direct the waste in the event the original disposal contractor is unwilling or unable to perform. The County could anticipate major operational difficulties should one solid waste contractor be required to transfer waste to a competitor's disposal facility.
2. The County has the incentive to insure that the transfer station is designed and operated to maximize the efficiency of collection vehicles. On an annualized basis the combined cost of transfer and disposal is approximately 30% of the total cost of residential solid waste management. Consequently, delays experienced by collection vehicles as a result of an undersized or poorly operated transfer station can result in increased collection costs which exceed the purported savings in transfer costs.
3. Flexibility - The County is better positioned to respond to fluctuations in solid waste volumes from seasonal, unexpected, or unanticipated events without contract disputes, demands for extra compensation or other concessions necessary to provide uninterrupted solid waste collection and disposal.
4. By retaining ownership of the transfer station the County will control the location and design of the facility. A County transfer station will incorporate community values for appearance, access, noise, landscaping, etc.
5. Only County employees have the incentive to reduce the volume of waste transferred and disposed out-of-county. Opportunities will occur daily to separate materials for recycling or diversion to the less expensive Class III disposal facility. Conversely, a private contractor will seek to maximize the volume of waste transported for disposal to maximize revenue.

Memo - Solid Waste Negotiations with City
March 3, 1998
Page Three

6. County employees have demonstrated their ability to operate one of the lowest-cost facilities in the State and deserve the opportunity to demonstrate their ability to operate a cost-efficient transfer station. Should these employees not meet expectations, the County would maintain the option of privatizing the operation of a County-owned transfer station.

ANALYSIS:

At this time the landfill has the capacity to accept Class I waste until January, 2002. This allows for Class III capacity beyond the year 2010. The Class III area will serve as a buffer between the Class I garbage disposal cell and the increasing amount of development activity and new business immediately across Apalachee Parkway from the landfill. Class III materials are generally inert and do not produce odors or attract seagulls. The operation of the Class III landfill would also include funding for the following post-closure activities which the County will be required to perform:

- semi-annual groundwater monitoring
- operation and maintenance of the leachate collection system and leachate disposal fees
- stormwater maintenance
- closed cell maintenance

The actual date for commencing the out-of-county transfer is dependent upon a number of factors including:

- volume of Class I garbage requiring landfilling at the current site
- desired reserve or emergency capacity
- time required to acquire a site for the transfer station
- time required to design, permit and construct the transfer station
- time allowance for bid challenges and litigation.

The County had originally sought to establish a two year reserve capacity. Delays in the negotiation process with the City will result in a reserve capacity of approximately one year. This reserve would be used for emergencies such as tropical storms or a hurricane. Hurricanes and tropical storms can also impact access to the out-of-county disposal facility due to flooding or physical damage to bridges and roadways. Reserve capacity is also needed should the disposal contractor be unwilling or unable to accept the County's waste.

At the present time there are at least three potential vendors who have expressed an interest in providing disposal capacity for Leon County's waste. These sites are located in Jackson County, Thomas County, Ga., and Valdosta Ga.

Memo - Solid Waste Negotiations with City
March 3, 1998
Page Four

The estimated time to design, permit and construct a transfer station is approximately 24 months. This estimate is based on locating the transfer station at the current landfill site; however, preliminary cost estimates have indicated a cost differential of approximately \$2.00 per ton in the cost of hauling from the transfer station to the disposal facility depending on where the transfer station is located. Specifically, if the low bid for disposal was a site west of Leon County, there would be an estimated savings of \$2.00 per ton or \$300,000 per year if the transfer station is located on a site in proximity to Capital Circle West and I-10. Locating the transfer station in this vicinity should not increase collection costs. In order to realize this potential cost savings the County would solicit offers for the sale of property in this vicinity and negotiate a purchase option such that potential disposal contractors would submit proposals for hauling and disposal from whichever site yields the lowest cost to the County.

The commencement date for haul-out could also be negatively impacted by bid challenges and litigation. Other possible delays may occur in the permitting process for the transfer station regardless of its location. The extended delays in the negotiations with the City have left slightly more than a year's worth of reserve capacity. Based on the preceding analysis the following schedule has been developed to commence the out-of-county disposal on or about October 1, 2000.

Solicit offers for property for the transfer station	March 1998
Issue RFP for A/E firm	April 1998
Issue RFP for hauling and disposal contractor	May 1998
Select A/E firm	June 1998
Option preferred site	July 1998
Select disposal contractor	September 1998
Prepare plans, permits and bid document for transfer station	October 1998 - September 1999
Construct transfer station	October 1999 - September 2000
Start-up	October 2000

OPTIONS:

1. Confirm County position as described above.
2. Provide other direction to staff.

RECOMMENDATIONS:

Option 1.

PA/WCW/JC/lm